

The Subject Invention:

For purposes of brief review, the subject invention is directed to a method and system for improved accuracy and adequacy of determination of a cost of motor vehicle insurance based upon monitoring, recording and communicating actual operational data indicative of vehicle operation and operator action for improved identification of operator vehicle driving characteristics. The data is collated to a predetermined insurance profile relative to the operator and vehicle driving characteristics for a more knowledgeable assessment of the safety of vehicle operation. The cost of insurance is adjustable in real-time based upon the monitored and recorded data as opposed to prior art systems which merely rely upon an accumulation of historical data relative to the insured. Such real-time comparison can be exploited by the operator to prospectively set or retrospectively adjust insurance rates. Accordingly, the operator of the vehicle can adjust driving characteristics to improve the safety rating and thus lower the insurance cost.

In allowing the parent application of this application, the Office provided the following statement:

“The following is an examiner’s statement of reasons for allowance: the prior art fails to disclose a method and system of determining automobile insurance for a selected period of time based upon monitoring, recording and communicating data representative of operator and vehicle driving characteristics during said period, fails to disclose adjusting an insurance cost during the time period, fails to disclose a method of generating an actuarial class system for determining vehicle costs for adjusting premiums for an insurance period of time based on data derived from motor vehicle operations characteristics and driver behavior during said insurance period of time, and fails to disclose an integrated system for extracting data from multiple sensors and screening, aggregating and applying the data for insurance rating purposes, the data being generated by an actual operation of a specific motor vehicle during a selected data collection period.” Notice of Allowability, Paper No. 9.

The Cited References:

The references to Ousborne '182 and Camhi et al. '432 are both useful for teaching the collection of operational data about a vehicle and which information is selectively stored. Both suggest that this stored data can be acquired by automobile insurance companies for "appropriately allocating higher costs only among the highest risk drivers.", Osborne '182, col. 2, lines 26-34; or, to allow "insurance companies to evaluate the driving habits of vehicle operators.", Camhi et al. '432, at col. 1, lines 63-65. Importantly though, both these references deal with the correction of historical data which is used to conjecture an appropriate insurance rate for a vehicle operator based upon past driving habits [note Ousborne '182 at col. 7, lines 1-9 and Camhi et al. '432 at col. 3, lines 42-49.] Both, thus merely comprise a more sophisticated scheme of collecting historical information in a conventional insurance pricing scheme by generating a prospective rate based upon then known operating results and parameters of the vehicle and operator.

**The Claims Distinguish Over
The Teachings of the References:**

Claims 21 - 23 deal with the method of generating a data base by which monitored operating parameters can be compared for evaluating safety of the vehicle operation so that preselected operating parameters can be used for a basis for comparison with current operating conditions to determine if the vehicle is operating safely or not. The composition of the data base is generated by the method steps of claim 21 which include a step of recording certain data elements "when said ones are determined to be appropriate for recording relative to determining a cost of insurance . . ." and then referenced against preconceived standards which are deemed appropriate for recording based upon historical data. The subject invention implements the recording step only if it is determined that the data element value to be recorded is appropriate relative to determining a cost of insurance. The subject invention thus is defined to comprise the generation of a reference data base, not the utilization of a predetermined data base for recording certain operational parameters of a vehicle.

The subject invention as defined in these claims provides a novel and significantly advantageous method for the building of a data base useful for determining the safety of operation of a vehicle.

As noted by the Examiner in the parent application, the prior art "fails to disclose a method of generating an actuarial class system for determining vehicle costs for adjusting premiums for an insurance period of time based on data derived from motor vehicle operations characteristics and driver behavior during said insurance period of time . . ." Claim 21 correlates the monitoring and recording of data elements relative to a common selected time period as opposed to the collection of data into a historical collection and then utilizing the historical collection to suggest a future cost of insurance based on the mere historical collection of data. Rather, the subject invention determines the cost of insurance for a certain time period based upon the data elements collected during that same time period. This important limitation is included in claim 21 and also its dependencies 22 and 23.

Concerning claims 28, 29, 33 and 34, these claims similarly limit the collection of data elements for a vehicle during "a data collection period" which are used to generate an "output data value" for the same period. The dependent claims identify the output data value as either an insurance cost (claim 29) or underwriting cost (claim 30). The important novelty for the subject invention is retained in these claims by utilizing the output value for the data collection period to be determined by the data collected in that same period. Thus, the important and consequential advantage of the subject invention, of determining insurance costs for a certain period based upon how the vehicle is operated during that very same period, is defined in the claims and thus patentably distinguishes the invention from the teachings of the references.

The Examiner's interpretation of the claims as a mere recording of certain data elements overlooks important claim limitations noted above.

Concerning a Terminal Disclaimer, one can be provided after the issues of the §10.2 rejections have been concluded.

It is concluded that this application is now in condition for allowance and early notice thereof is requested.

Respectfully submitted

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